



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
JEFFREY R. VONK, DIRECTOR

October 20, 2005

Dear Potential Partners:

In May 2004, many of you received a "Request for Expressions of Interest" to partner with the State of Iowa in the development of our first Resort State Park. As more fully described on the DNR's website, Honey Creek Resort State Park will be located on an 800-acre peninsula of public land on the north shore of Rathbun Lake in Appanoose County.

In 2004, we met with several firms onsite who expressed some interest in the project. However, the level of private investment being sought, the level of risk for that investment, and the rate of return were not conducive to securing a commitment from private developers. With passage by the Iowa Legislature of a \$28 million revenue-bonding package, the re-appropriation of \$3.0 million for financing of critical infrastructure in the park, the earmarking of selected capital development funds, and the potential for federal funding contributions to the project, the financial picture has changed substantially. We are therefore re-contacting potential partners to initiate a new process leading to a formalized public/private partnership in early 2006.

At a minimum, we are seeking a consultant to: (1) Operate Honey Creek Resort State Park under a management contract that may or may not be affected by tax-exempt financing requirements; (2) Assist in the formulation of funding and phasing packages for the design and construction of the facilities; and (3) Serve as project manager and to serve as the public owner's agent in contracting for construction of the facilities as public improvements. Major developments include the 108-room lodge/conference facility, indoor aquatic center, restaurant, golf course, maintenance complex and cabins. We are open to considering additional private involvement in the building and operation of the courtesy boat docks, beach, RV campground and other leisure, recreational or educational features that can be accommodated within the developable portions of the property and are compatible with the Honey Creek Resort State Park Master Plan and with State Park priorities, policies and procedures.

The RFQ/RFP processes are described on the Iowa DNR's website at: www.iowadnr.com/parks/honeycreek/. Using criteria as described on the website, a committee will review and evaluate responses to this RFQ and arrive at a short list of up to five firms that will be invited to submit formal proposals.

Given the possible options for funding and phasing, and the nature of revenue bonds to be sold (tax exempt vs. taxable bonds or some combination of both), it will be the intent of the State of Iowa to enter into a Memorandum of Understanding with the lead firm that will spell out the working relationship between the State and the lead firm. As financial arrangements are finalized, this MOU will evolve into a Technical Services Agreement for specific design and construction assistance and, later, a formal management contract for facilities operation. The management contract may need to comply with "qualified management plan" conditions of tax-exempt financing.

We hope the website will answer many of the questions that will arise. If you have need for additional information, the contact for further discussions is:

Arnie Sohn
Honey Creek Resort State Park Project Coordinator
Iowa Department of Natural Resources
East 9th and Grand Avenue
Des Moines, Iowa 50319

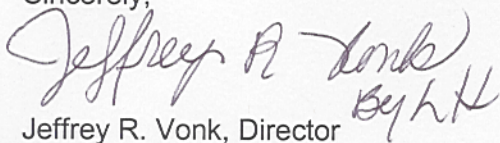
Telephone: 515-281-5814
Email: arnie.sohn@dnr.state.ia.us

Please limit your response to this RFQ to a maximum of 50 pages of standard 8-1/2"X 11" sheets.

As noted in the schedule, your responses to this RFQ are due in the DNR's offices (an original and 10 copies) by 4:30 PM on November 18, 2005. Short-listed firms will be notified by December 3; and formal, detailed proposals will be due on January 31, 2006. We anticipate Natural Resource Commission approval of an interim agreement in March 2006 and to move forward with development of a "Technical Services Agreement" and ultimately long-term management and operation agreements. Our goal is to be in a position to hold formal groundbreaking ceremonies on one or more of the major facilities by fall, 2006 although major construction is not anticipated until Spring 2007.

I thank you in advance for your consideration of this exciting opportunity to work with the State of Iowa to provide high-quality recreational and conferencing facilities at one of Iowa's best recreational lakes. We are confident of the success of this project and are eager to engage with a private partner to make the visions become reality.

Sincerely,


Jeffrey R. Vonk, Director